

looking to the customary range of accumulated capital, let it be spread, as suggested, into parts of one-fourth, one-fifth, one-sixth and so on. I should, as a specimen, allot £250 to each class of security where the aggregate savings amounted to £1,000. Corresponding rules apply to all investments, whatever be the total funds of the investor, although the amount apportioned to each class of security will be increased beyond the sums I have specified as the aggregate fund enlarges, and the range of selected securities expands. The trouble is undoubtedly multiplied, but the ultimate protection from loss is worth it all.

Securities should be so chosen that none is intimately and' mainly dependent upon another. I remember a person who advanced money upon mortgage of an Iron-works and also upon an adjoining Coal-mine: the works, it appeared, were the principal customers of the mine, and a serious reduction of the trade of the former, produced by foreign competition, naturally and gravely affected the fortunes of the latter, so that both mortgages became practically worthless.

I now enumerate certain classes of investments with some accompanying notes of advice. It is obvious that an exhaustive list is impracticable, but the hints suggested in connection with those which are specified will sufficiently indicate the manner in which others which are omitted should be regarded.

1. British Government Securities: Consols. The return generally is too small, but the chief objection is that the principal is so constantly subject to fluctuation that it is hardly advisable to invest. The stock is naturally a most sensitive barometer of all national relations with foreign countries, the course of which it is impossible to predict. Apart from foreign countries, any troubles with our dependencies (to employ a general term) frequently entail an additional creation of funds for the purpose of military action, and the enormous " watering " of Government Securities occasioned by the recent South African War will be remembered. At any stated time there exists a practical though fluctuating equilibrium between

the amount of National stock and the  
public demand for it as an investment,  
and these fresh